



# YOUR ENERGY CONNECTION

## Why is the Cost of Electricity Increasing? How Do Coal Prices Affect Electricity Costs?

### **Fossil fuel prices are at an all-time high. What is causing this hike in prices?**

Lately, record fossil fuel prices have been reported throughout the country, especially oil, gasoline and coal. The price of coal has doubled in the past few years.

Rocky Mount owns, through the NC Eastern Municipal Power Agency, part of two electric generating stations that burn coal to generate electricity, Roxboro Unit 4 and Mayo Plant. The price of coal is a major factor affecting energy costs for electric plants fueled by coal.

### **Why is the price of coal increasing?**

Several factors contribute to the cost increase, especially increased global demand from emerging economies, including China and India. These countries, facing a period of rapid growth and modernization, need coal and are willing and able to pay top prices for the resource.

Other factors that are pushing up the price are increased demand at home to replenish low coal stockpiles at generating stations, environmental constraints on new coal mines and anticipated federal legislation for tighter emissions limits. Also, the cost to transport coal has more than doubled since 2002. In 2002, the transportation cost was \$8 per ton compared to \$17.50 per ton today.

### **Will the country run out of coal?**

The coal supply that exists in the United States is enough to meet the growing demand. Once the supply of existing mines is reduced, new mines will be opened. Coal producers have not opened new mines yet, but will, hopefully, in the future.

### **Who will be affected by the coal price increase?**

Most of the eastern United States is faced with coal price increases. Most electric utilities throughout the southeast have already increased electric costs by increasing fuel adjustment charges to their customers to meet the increased operational charges, caused by the coal price increase.

### **How will the city of Rocky Mount be affected by the coal price increase?**

Rocky Mount will continue to keep the customers informed regarding this issue as more information becomes available. As a part owner of two coal fired generating stations, Rocky Mount depends on coal. Rocky Mount will pass these costs through to its customers as a fuel adjustment charge as other utilities are doing.

Fortunately, our city also owns part of two nuclear power plants, Harris and Brunswick Nuclear Plants. In fact, more than 50 percent of the power Rocky Mount receives is cost-efficient nuclear power. Nuclear power is less susceptible to cost increases caused by increased coal prices.

### **What is the city of Rocky Mount doing?**

We are looking at several options to help ease the impact of the cost increase. The power agency is evaluating all coal purchases and contracts to ensure they are fair to the agency and to Rocky Mount. As always, the best way to lower your energy bill is to use energy wisely. Contact Gloria Hunter at 972-1533 for a free home energy audit, and see how you can reduce your monthly bill in spite of rising costs.

## BEAT THE PEAK

“Peak” or “Peak Demand” is the greatest amount of electricity used at one time by an electric system, normally when a large number of customers are using appliances at the same time. By controlling the electric load or load management, we can keep electric costs in control. Rocky Mount averages approximately less than 10 days per month load managing. There are several options available:

### Electric Water Heater Control-

Water heaters are cycled off during load management periods. Controlling water heaters will not affect the amount of hot water available. Customers receive **\$2.00** credit each month.

### Electric Heat Strip Control-

Heat strips are controlled during the winter load management periods, while compressors continue to provide heat. Customers receive **\$15.00** credit each month if the temperature falls to 25 degrees or below on a non-holiday weekday.

### Central Air Conditioning Total Control-

Customers receive **\$20.00** credit each month for July, August, and September. The credit is calculated based on yearly consumption. The compressor is turned off for the entire load management period. Fans will continue to circulate the cool air in your house, but your compressor will not generate any new cool air.

**There are no installation or maintenance charges associated with this program.**

**Call 972-1283 for more information .  
Start your savings now!**



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## Meters Are for Reading

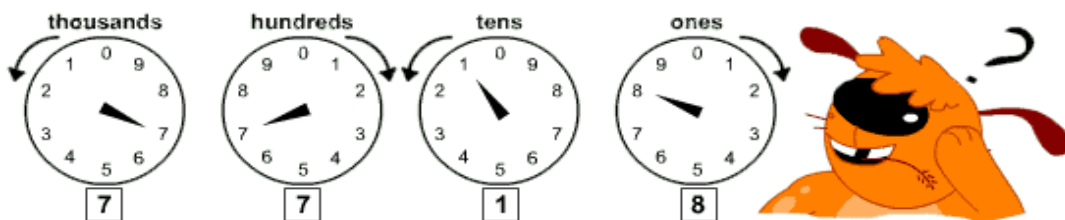
If you are on a budget, you know how much you can spend on your groceries each month, how often you can eat out and you probably shop for a good deal on clothing. Comparative shopping has become a way of life for most of us. Do you also track your electricity use every day looking for ways to cut back? By monitoring your energy use, you can keep your electricity budget in the black.. Know your energy use by reading your meter. Improve your energy use by consulting Gloria Hunter at 972-1533 for a free energy audit.

Before you begin budgeting your electrical usage, you need to know how many kilowatt-hours (kWh) you're consuming. (A kilowatt-hour is 1,000 watts of electricity used for one hour). It's easy to learn how many kWh you use if you know how to read your electric meter.

A dial-type meter has four or five clock-like faces that rotate alternately in clockwise and counterclockwise directions. Read and record the dials from right to left, according to the direction of the arrow. If the pointer is between two numbers, jot down the lowest number unless it's between 9 and 0. In that case, use the 9.

If the pointer is directly on a number, look at the dial just to the right. If the pointer on that dial is between 9 and 0 record the smaller number; if the adjacent dial is between 0 and 1, record the larger number. After you've recorded the number for each dial, read them from left to right.

To determine how many kWh of electricity you've used, simply subtract yesterday's reading from today's. Once you know your typical daily use, you can develop your own conservation program.



Daily meter reading will help you gauge the effectiveness of your efforts.

***Before construction, excavation or digging is done on your premises,***

**NC One-Call  
1-800-632-4949**

